

FISCAL NOTE WORKSHEET (Revised Nov. 2006)

Agency: Utah State Office of Education
Ben Leishman
 Requested By

Bill Number SB30 1st Sub

Office of the Legislative Fiscal Analyst
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Fax/Electronic Mail Transmittal

Date: _____
Name: _____
Fax Number: _____

Please return to Fiscal Analyst by: January 25, 2007

TITLE OF BILL: CREATION OF NEW SCHOOL DISTRICT AMENDMENTS

This Bill Takes Effect: ☐ On Passage ☐ On July 1 ☒ 60 Days after session ☐ Other _____

Bill Carries Own Appropriation: ☐

FISCAL IMPACT OF PROPOSED LEGISLATION

A. Revenue Impact by Source of Funds:

First Year

Second Year

1. General Fund	\$0	\$0
2. Uniform School Fund - Free Revenue	\$0	\$0
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$0	\$0

B. Expenditure Impact by Source of Funds:

1. General Funds		
2. Uniform School Fund - Free Revenue	\$0	\$0
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$0	\$0

C. Expenditure Impact Summary:

1. Salaries, Wages and Benefits	\$0	\$0
2. Travel		
3. Current Expenses		
4. Capital Outlay		
5. Other (Specify)		
6. TOTAL	\$0	\$0

D. Impact in Future Years?

If no fiscal impact in first two years, indicate if there will be any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. Use back side, if necessary.)

As each new district is created either the state would need to add \$245,000 in the Minimum School Program to cover the base amounts currently guaranteed to districts or each district would lose approximately \$6,000. This would cause districts in far away locations to suffer for the actions of a small area.

Von Hortin, Auditor/Finance Specialist USOE, Finance & Statistics

538-7670

01/23/07

Prepared By

Title

Agency

USOE

Phone No.

Date

E. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase

The creation of new school districts would mean the base amounts in current formulas would be divided among a larger number of districts.

F. Expenditure Impact Details (*Ties to totals in Section C*)

List and document methodology and/or assumptions used in determining need for workload and cost increase.

List number, type, and step ranges of personnel required, including benefits.

List details of other impacted expenditure categories as shown in Section C.

List additional space requirements and cost associated with requirements of this bill.

(USE ATTACHMENTS IF NECESSARY.) Using the base amounts in current finding formulas, a new district would be guaranteed approximately \$245,000 in state funds for state funded programs. If the appropriation were not increased, each existing district would see about a \$6,000 decrease in categorical funding. Also local funds would be impacted by the cost of running a special election and possibly by arbitration costs. Currently election costs run about \$25,000 in the larger districts. Additional costs to the state could occur in the state aid to voted and board leeway if upon a district dividing the resultant school districts have a significant disparity (in relation to each other) in assessed valuation per student. This is because state aid to school districts for voted and board leeway is based on a specific dollar amount, per WPU (number of students), per amount of tax rate levied (per 0.0001 of tax rate). Further, state USF dollars funding the Basic School Program could increase if the Basic Tax Rate raises less dollars per student in one or the other school districts than when they were combined. In addition, there could be a change in allocation of Capital Outlay Foundation and Enrollment Growth capital facilities funds distribution to all school districts.

G. No Fiscal Impact or Will Not Require Additional Appropriations?

Specify why this bill will have no fiscal impact on your agency or institution.

Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.)

H. If Bill Carries It's Own Appropriation:

Indicate if the amount appropriated is adequate to meet the purposes of the bill.

Are there future additional costs anticipated beyond the appropriation in the bill?

The bill carries no appropriation currently.

I. Impact on Local Governments, Businesses, Associations, and Individuals

If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)

Local School Districts/Charter Schools : If appropriations for state programs currently in the Minimum School Program are not increased by approximately \$245,000 then upon creation of a new school district each existing district would see a decrease in state funds of about \$6,000. School Districts would be required to pay the costs of a special election. The cost varies by size of area and voting places but because this would mostly affect the larger districts the cost would approximate \$25,000.

Businesses and Associations :

Individuals : The impact on individuals would vary. in some areas the property taxes would increase and in other areas they would decrease. The impact of creation of new school districts would not leave each district with the same financial situation as prior to the creation.

Narrative Description of Bill : This bill makes technical clarifications on last years HB 77 which passed. An Ad Hoc committee was created and the bill is the result of many discussions since the last session. The bill clarifies dates for instructional responsibilities as well as dates for board succession and means for apportioning debt amongst the affected districts.

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

This fiscal note input draft does not imply endorsement of this bill by the State Board of Education or USOE.